

EXHIBIT H

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VIA EMAIL

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Re: July 1, 2020 Meet and Confer: Commonwealth Cash Rule 2004 Requests

Counsel:

I write on behalf of Ambac Assurance Corporation (“Ambac”)¹ to memorialize and follow-up on our telephonic meet-and-confer on July 1, 2020 (the “July 1 Meet and Confer”), concerning *Ambac Assurance Corporation’s Motion for Entry of an Order Authorizing Discovery Under Bankruptcy Rule 2004 Concerning Commonwealth Cash Restriction Analysis* [ECF No. 9023] (the “Cash Rule 2004 Motion”).

During the July 1, 2020 Meet and Confer, the parties discussed the items outstanding from the telephonic meet-and-confer held on June 18, 2020 (the “June 18 Meet and Confer”), and follow-up items identified in Ambac’s letter to the Government² dated June 18, 2020 (the “June 18 Letter”), and Ambac’s email to the Government dated June 26, 2020 (the “June 26 Email”). Each item of discussion is addressed below.

Cash Rule 2004 Motion

(1) Category Nos. 1 and 2: Presentation and Investigation Documents

- *All documents relied upon in connection with the ‘Summary of Cash Restriction Analysis’ presentation, dated October 2, 2019 and the ‘Bank Account Analysis: Status Update – June 30, 2019 Balances’ presentation, dated as of October 2, 2019,*

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Rule 2004 Motions.

² The “Government” refers to, collectively, the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”) and the Federal Oversight and Management Board for Puerto Rico (the “Board”).

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including documents sufficient to identify the processes and assumptions underlying the Cash Restriction Analysis and any iterative changes in the analysis over time.

- *All documents relied upon in connection with Duff & Phelps' and/or Ernst & Young's investigation into the cash at government and fiscal plan entities, certain other Title III debtors, and UPR, including but not limited to instructions provided to Duff & Phelps and/or Ernst & Young regarding categorization and restrictions.*

Underlying Calculations. During the July 1 Meet and Confer, the Board advised that it continues to object to producing the underlying calculations on relevance and burden grounds. The Board noted that it is producing factual source materials and raw data underlying the calculations in the Duff & Phelps report and October 2, 2019 presentations. Ambac explained that the factual source materials and raw data are insufficient to allow Ambac and its advisors to reproduce the Duff & Phelps report and October 2, 2019 presentations.

Although the Parties agreed that they are approaching an impasse on this issue, the Board advised that it would confer internally regarding whether additional information exists concerning changes in account designations.

Process Documents. During the July 1 Meet and Confer, the Board advised that it would not agree to produce "process documents" concerning the Duff & Phelps report and October 2, 2019 presentations. The Board asserted work product privilege as to these documents, which the Board said were prepared in contemplation of litigation concerning the confirmation of the disclosure statement and plan of adjustment.

Ambac asked whether the Board would produce a privilege log. The Board advised that producing a privilege log would be too burdensome to do on a document-by-document basis, but that it would confer internally on whether a categorical privilege log would be feasible. Ambac requested that the Board review the withheld documents to assess the universe of withheld documents before the Parties engage in further discussion regarding the burden associated with the preparation of a document-by-document privilege log.

Follow-Up Requests regarding Amended Disclosure Statement. On June 22, 2020, the Board referred Ambac to the Amended Disclosure Statement for a list of all Commonwealth accounts and the Board's determination at the time of the filing as to whether the cash in such accounts was restricted or unrestricted. In reviewing the Amended Disclosure Statement, Ambac identified additional materials responsive to its Cash Rule 2004 Requests and requests the Board's position with respect to the following:

- The Amended Disclosure Statement references "1,700 newly obtained documents from governmental entities regarding account classifications." Amended Disclosure Statement at 108.
- The Amended Disclosure Statement references an "inventory of the Central Government's bank accounts and . . . ownership and control information, disposition, and cash flows for each." *Id.* at 104.

- The Amended Disclosure Statement discusses the Board's efforts to collect "governmental entities' descriptions of the various restriction categories." *Id.* at 112.
- The Amended Disclosure Statement references "supporting documentation [obtained] from governmental entities to inform the legal team's assessment of account designations." *Id.* at 113; *see also id.* at 107, 109.

With respect to the preceding references, please confirm that these documents have been, or will be, produced in response to Ambac's request for underlying factual source materials and raw data for the Duff & Phelps report and October 2, 2019 presentations.

Additionally, Ambac requests that the Board identify the individuals who were involved in the preparation of the Duff & Phelps report and October 2, 2019 Presentations.

Key to Exhibit J. During the July 1 Meet and Confer, Ambac noted that Exhibit J to the Amended Disclosure Statement does not include account numbers, which Ambac needs to match up the accounts referenced therein to other available discovery. The Board advised that it would produce a document that identifies those account numbers.

(2) Category No. 3: Commonwealth's Necessary Operating Expenses

- *All documents related to the assessment of the Commonwealth's necessary operating expenses, including any analyses of whether unrestricted cash exceeds necessary operating expenses.*

On June 28, 2020, Ambac provided a proposed stipulation memorializing the representations that the Board has made in the course of the meet-and-confer process regarding Ambac's request for documents related to the assessment of the Commonwealth's necessary operating expenses. During the July 1 Meet and Confer, the Board advised that it is in the process of reviewing the proposed stipulation. Ambac requested that the Parties meet and confer on July 2 or 3, 2020, or July 5, 2020 at the latest, to discuss the Board's position with respect to the proposed stipulation. The Board advised that it would be unable to meet and confer on July 2 or 3 and that it would update Ambac regarding its availability as soon as possible. On July 2, 2020, the Board indicated in an email that it was still reviewing the stipulation and was not in a position to provide substantive comments by July 5, 2020.

Ambac requests that the Parties meet and confer regarding the proposed stipulation as soon as practicable. Please advise regarding the Board's availability for a meet and confer.

(3) Category No. 4: Document Key

- *A "key" to the documents produced that would allow parties to replicate the cash restriction analysis performed in connection with the presentations described above, including the relevant identifying information for each document (i.e., Bates numbers).*

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In the June 26 Email, Ambac advised that the “master database” produced by the Board on June 22, 2020 contained redactions and requested production of an unredacted version of the “master database.” The Board agreed to produce this and did so on July 1. Ambac appreciates the Board’s production of the unredacted “master database,” and its analysis thereof remains ongoing.

Very truly yours,

/s/ John J. Hughes, III

John J. Hughes, III

cc: Grant Mainland
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